



Virg Bernero
Mayor

OFFICE OF THE MAYOR

9th Floor, City Hall
124 W. Michigan Avenue
Lansing, Michigan 48933-1694
(517) 483-4141 (Voice)
(517) 483-4479 (TDD)
(517) 483-6066 (Fax)
mayor@ci.lansing.mi.us

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LANSING CITY CLERK

April 19, 2006

Council President Harold Leeman and Council Members
Lansing City Council
124 W. Michigan – Tenth Floor
Lansing, MI 48933

RE: Executive Order 2006-03 - Implementing a Reorganization of the Finance and Management Services Departments

President Leeman and Council Members,

My proposed FY2007 budget focuses in part on restructuring some services and implementing other efficiencies that will improve the delivery of city services while reducing costs. In accordance with Section 4-301.7 of the Lansing City Charter, I am requesting your approval of the following reorganization which was incorporated into my FY2007 recommended budget.

A reorganization of the Finance Department and the Management Services Department is proposed as follows:

- The Management Services Department is consolidated into two new divisions within the Finance Department (Property Management and Information Technology), allowing for the elimination of a Cabinet level position and the consolidation of administrative support functions;
- The Assessing and Income Tax Divisions of the Finance Department are consolidated into a Tax Services Division, allowing for a sharing of clerical and other functions;
- The Garage operations in the Parks Department and in the Public Services Department are merged into the operations of Central Garage under central supervision.

The current functions of the Finance Department and of the Management Services Department are support functions to the organization. Their consolidation provides for a reduction in costs, sharing of administrative functions and increased coordination. Consolidating supervision of all garage functions will also reduce costs and improve efficiency over the long term, both in personnel costs and equipment purchases.



Council President Harold Leeman and Council Members
April 20, 2006
Page Two

Attached is an Executive Order implementing the reorganization. I will appreciate your consideration of this in the context of the FY2007 budget, with an effective date of July 1, 2006.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Virg Bernero", written over the printed name.

Virg Bernero
Mayor

(Enclosure)

TO: ALL OFFICERS, EMPLOYEES, AGENCIES, BOARDS, AUTHORITIES, AND DEPARTMENTS OF THE CITY OF LANSING

RE: EXECUTIVE ORDER 2006-03 – IMPLEMENTING A REORGANIZATION OF THE FINANCE AND MANAGEMENT SERVICES DEPARTMENTS

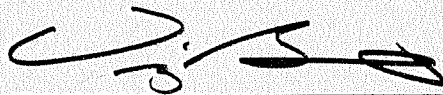
The proposed FY2007 budget focuses in part on restructuring some services and implementing other efficiencies which will improve the delivery of City services while reducing costs. It has been determined that the consolidation of the Finance Department and the Management Services Department will provide for a reduction in costs, sharing of administrative functions, and an increase in coordination of support functions within the City. It has also been determined that consolidating supervision of all garage functions will reduce costs and improve efficiency over the long term, both in personnel costs and equipment purchases.

THEREFORE, pursuant to the direction and mandate given to me by the people of the City of Lansing, as expressed in the City Charter, I hereby issue this Executive Order implementing the following reorganization, effective July 1, 2007:

- The Management Services Department is consolidated into two new divisions within the Finance Department (Property Management and Information Technology), allowing for the elimination of a Cabinet level position and the consolidation of administrative support functions;
- The Assessing and Income Tax Divisions of the Finance Department are consolidated into a Tax Services Division, allowing for a sharing of clerical and other functions;
- The Garage operations in the Parks Department and in the Public Services Department are merged into the operations of Central Garage under central supervision, allowing for a reduction in the City's fleet and a reduction in costs.

The City Attorney is hereby directed to prepared any ordinance changes which may be necessary to implement this Executive Order.

This Executive Order, signed this 20th day of April, 2006, shall remain in effect until it is rescinded or superceded.



Virg Bernero, Mayor of the City of Lansing

6/15

Summary
EXECUTIVE ORDER 2006-03

**IMPLEMENTING A REORGANIZATION OF THE FINANCE AND
MANAGEMENT SERVICES DEPARTMENTS**

What does this reorganization do?

- Consolidates the Management Services Department into two new divisions within the Finance Department – a Property Management Division and an Information Technology Division
- Consolidates the Assessing and the Income/Property Tax Divisions of the Finance Division into one Tax Services Division
- Merges the garage operations in the Parks Department and in the Public Services Department into the operations of Central Garage

Why is this desirable?

Consolidating the Management Services Department into two new divisions within the Finance Department allows for the elimination of a Cabinet level position, and also allows for increased coordination of administrative support functions. Bringing facilities and property management, technology, printing and mailing services under common supervision with accounting, purchasing, budgeting and payroll will improve coordination of support functions and enhance management of city assets. Elimination of the Cabinet level position will save taxpayers more than \$120,000 annually. This saving has already been incorporated into the adopted 2007 budget.

Consolidation of garage operations will improve inventory control and reduce parts inventories; provide more effective use of vehicles and equipment; provide more flexibility in the use of staff. This consolidation of garage functions began in FY 2006, and is estimated to reduce costs by more than \$580,000 while building a reserve for equipment replacement. These savings have already been incorporated into the adopted 2007 budget.

Consolidation of the Assessing and Income/Property Tax Divisions of the Finance Department will improve customer service by providing "one-stop shopping" for assessing and tax-related information. It will also provide for potential for sharing of clerical and other functions by cross-training. It will also support the revenue enhancement efforts anticipated in the adopted 2007 budget, for a net anticipated revenue gain of more than \$760,000.

What does this reorganization NOT do?

The proposed reorganization is based on the financial and staff resources reflected in the adopted 2007 budget. It will not result in a reduction of staff. To the extent that some job functions may be changed, position descriptions will be re-evaluated in accordance with the collective bargaining agreements.

*Positions to be shared between Treasury and Assessing

Assessing/Treasury Staffing Proposal
June, 2006

<u>STAFFING</u>	<u>Treasury</u>	<u>Assessing</u>
\$61,963	Dep. Treasurer	\$90,000 Assessor
\$61,963	Audit sup.	\$79,394 Prin. App.
\$72,634	CSR's (2)	\$71,843 Prin. Res. App.
\$58,989	Auditors (1)	\$176,967 Comm. App.(3)
\$46,051	Examiner	\$171,225 Res. App. (3)
\$53,456	Investigators	\$58,989 Database Administrator
\$87,776	Technicians (2)	\$48,422 Mapping & Desc. Spec.
\$38,064	Secretary*	\$118,269 Clerical (3)*
\$18,751	Clerical (1 PT)*	\$60,000 Spec. PPA
\$90,000	Spec. Inv. (2)	\$875,109 15 FTE's
<u>\$589,647</u>	14.5 FTE's	
	*Shared pool	

<u>COST IMPACT</u>	<u>Treasury</u>	<u>Assessing</u>	<u>TOTAL</u>
FY06	\$633,714 13.5 FTE's	\$881,836 15 FTE's	\$1,515,550 28.5 FTE's
FY07	\$589,647 14.5 FTE's	\$875,109 15 FTE's	\$1,464,756 29.5 FTE's
	<u>\$1,223,361</u>	<u>\$1,756,945</u>	<u>-\$50,794</u>
Additional Rev.	\$400,000	\$310,000	\$710,000
			<u><u>\$760,794</u></u> <u>Est. Gain</u>

Consolidated Garage Savings

Consolidation of Operations and Staffing (Operations from Central and Service Garage locations)

Savings from Prior Years' Staffing Reductions

<u>Position</u>	<u>Location</u>	<u>Wages</u>	<u>Fringes</u>	<u>Total</u>
Mechanic 600	Central	43,867	44,029	87,896
Mechanic 500	Central	41,184	41,336	82,520
Supervisor 36	Oak Park	65,083	54,442	119,525
Mechanic 500	Oak Park	41,184	41,336	82,520
Mechanic 500	Oak Park	41,184	41,336	82,520
Veh. Maint. Worker 400	Oak Park	38,418	38,560	76,978
Veh. Maint. Worker 200	Oak Park	28,614	28,720	57,334
		<u>299,534</u>	<u>289,760</u>	<u>589,294</u>

Budget Comparisons

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Oak Park Garage	540,848	486,314	-
Central Garage	1,878,397	2,262,073	3,052,866
Service Garage	3,604,900	3,856,792	3,814,050
	<u>6,024,145</u>	<u>6,605,179</u>	<u>6,866,916</u>

Note: In comparing the FY 2006 and FY 2007 budgets, \$178,300 of the increase is due to fuel cost increases and \$664,400 to increased fringes. Without those increases, the total garage budget *decreases* by \$580,963 from the FY06 budget *while* building a reserve for vehicle/equipment replacement.



Virg Bernero, Mayor

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TO: City Council President Harold Leeman and Council Members

FROM: Mayor Virg Bernero

DATE: April 20, 2006

RE: Executive Order 2006-03 – Implementing a Reorganization of the Finance and Management Services Departments

The attached correspondence is forwarded for your review and appropriate action.

VB/rh
Attachment